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Information on the company

General

Unless otherwise indicated, information in this document reflects 100% of the assets and operations of the company and its subsidiaries that were consolidated at the date or for the periods indicated, including minority interests. Also, unless otherwise indicated, figures for total revenues include sales between BP businesses.

The company was incorporated in 1909 in England and Wales and changed its name to BP p.l.c. in 2001.

BP is one of the world's leading oil companies on the basis of market capitalization and proved reserves. Our worldwide headquarters is located at 1 St James's Square, London SW1Y 4PD, UK, tel +44 (0)20 7496 4000. Our agent in the US is BP America Inc., 501 Westlake Park Boulevard, Houston, Texas 77079, tel +1281 366 2000.

Overview of the group

BP is a global group, with interests and activities held or operated through subsidiaries, jointly controlled entities or associates established in, and subject to the laws and regulations of, many different jurisdictions. These interests and activities covered two business segments in 2008: Exploration and Production and Refining and Marketing. With effect from 1 January 2008, the former Gas, Power and Renewables segment ceased to report separately (see Resegmentation in 2008 on page 12).

A separate business, Alternative Energy, reported in Other businesses and corporate, handles BP's low-carbon businesses and future growth options outside oil and gas. Exploration and Production's activities include oil and natural gas exploration, development and production (upstream activities), together with related pipeline, transportation and processing activities (midstream activities), as well as the marketing and trading of natural gas (including LNG), power and natural gas liquids (NGLs). The activities of Refining and Marketing include the refining, manufacturing, supply and trading, marketing and transportation of crude oil, petroleum and petrochemicals products and related services. The group provides high-quality technological support for all its businesses through its research and engineering activities.

All these activities are supported by a number of other organizational elements comprising group functions and regions. Group functions serve the business segments, aiming to achieve coherence across the group, manage risks effectively and achieve economies of scale. In addition, each regional head provides the required integration and co-ordination of group activities and represents BP to external parties.

Internal control

The group's system of internal control is designed to meet the expectations of internal control of the Combined Code in the UK and of COSO (committee of the sponsoring organizations for the Treadway Commission) in the US. The system of internal control is the complete set of management systems, organizational structures, processes, standards and behaviours that are employed to conduct the business of BP and deliver returns to shareholders. The design of the system of internal control addresses risks and how to respond to them. Each component of the system is in itself a device to respond to a particular type or collection of risks.

Strategy

The group strategy describes the group's strategic objectives and the assumptions made by BP about the future. It describes strategic risks and opportunities that arise from making such assumptions and the actions to be taken to manage or mitigate the risks. The board delegates to the group chief executive responsibility for developing BP's strategy and its implementation through the group plan that determines the setting of priorities and allocation of resources. The group chief

matters currently or prospectively affecting BP's performance.

During 2008, we continued to pursue our three strategic priorities of 'Safety', 'People' and 'Performance', which underpin BP's 'forward agenda'.

Through this, we have taken steps to restore revenues, reduce complexity and manage costs and have made significant progress towards closing the competitive performance gap to our peer group. Looking forward, our strategy is to create value for shareholders by investing to deliver growth in Exploration and Production, together with high-quality earnings and returns throughout our operations. Our first priority will always be to ensure the safety and integrity of our operations.

We expect Exploration and Production to be our core source of growth. We intend to re-invest competitively in Exploration and Production to secure and grow high-quality oil and gas resources. This investment is intended to be focused on strengthening our position further by securing new access and achieving exploration success. It is also intended to be targeted on a renewed focus on increasing recovery from fields in which we already operate. We expect to make investment across the full life cycle of our assets with an increased emphasis on technology as a source of productivity, access and competitive advantage.

In Refining and Marketing, we expect to continue building our business around advantaged assets in material and significant energy markets. We intend to continue investing in improving the safety and reliability of our operations. Additionally, we intend to drive further operational performance and productivity by investing in the upgrade of manufacturing capabilities within our integrated fuels value chains. We also intend to invest selectively in international businesses, including lubricants and petrochemicals, where we believe there is the potential to deliver strong returns.

In Alternative Energy, we are focusing our investment activity in new energy technology and low-carbon energy businesses that we believe will provide long-term options to meet energy demand and provide BP with significant long-term growth potential. These are wind, solar, biofuels and carbon capture and storage.

We are dependent on our people and technology to deliver on our strategy. We intend to invest in ensuring that we have people with the right capability and experience to meet all of our objectives and the technology to support the delivery of competitive business performance and new business development. BP is committed to delivering its strategy by operating safely, reliably, in compliance with the law and within the discipline of a clear financial framework.

Geographical presence

We have well-established operations in Europe, the US, Canada, Russia, South America, Australasia, Asia and parts of Africa. Currently, around 67% of the group's capital is invested in Organisation for Economic Cooperation and Development (OECD) countries, with around 41% of our fixed assets located in the US and around 20% located in Europe.

We believe that BP has a strong portfolio of assets:

- In Exploration and Production, we have upstream interests in 29 countries. Exploration and Production activities are managed through operating units that are accountable for the day-to-day management of the segment's activities. An operating unit is accountable for one or more fields. Our current areas of major development include the deepwater Gulf of Mexico, Azerbaijan, Algeria, Angola, Egypt and Asia Pacific where we believe we have competitive advantage and the foundation for volume growth and improved margins in the future. We also have significant midstream activities to support our upstream interests. Additionally, we undertake natural gas, power and NGLs marketing and trading activity and LNG activity, which are focused on identifying and capturing worldwide opportunities for our upstream natural gas reserves, and we have an NGLs processing business in North America.

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F**

(Mark One)

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REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

p

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended 31 December 2009

OR

o

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

o

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-6262

BP p.l.c.

(Exact name of Registrant as specified in its charter)

England and Wales

(Jurisdiction of incorporation or organization)

1 St James's Square, London SW1Y 4PD

United Kingdom

(Address of principal executive offices)

Dr Byron E Grote

BP p.l.c.

1 St James's Square, London SW1Y 4PD

United Kingdom

Tel +44 (0) 20 7496 4000

Fax +44 (0) 20 7496 4630

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Ordinary Shares of 25c each	New York Stock Exchange*
4 7/8% Guaranteed Notes due 2010	New York Stock Exchange
Floating Rate Guaranteed Extendible Notes	New York Stock Exchange
Floating Rate Guaranteed Notes due 2010	New York Stock Exchange
5.25% Guaranteed Notes due 2013	New York Stock Exchange
Floating Rate Guaranteed Notes due 2011	New York Stock Exchange
1.55% Guaranteed Notes due 2011	New York Stock Exchange
3.125% Guaranteed Notes due 2012	New York Stock Exchange
3.625% Guaranteed Notes due 2014	New York Stock Exchange
3.875% Guaranteed Notes due 2015	New York Stock Exchange
4.75% Guaranteed Notes due 2019	New York Stock Exchange

*Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 25c each	18,759,888,123
Cumulative First Preference Shares of £1 each	7,232,838
Cumulative Second Preference Shares of £1 each	5,473,414

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☐

Note --- Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) *

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Group overview

Our organization

BP is one of the world's leading international oil and gas companies. We operate in more than 80 countries, providing our customers with fuel for transportation, energy for heat and light, retail services and petrochemicals products for everyday items.

As a global group, our interests and activities are held or operated through subsidiaries, jointly controlled entities or associates established in – and subject to the laws and regulations of – many different jurisdictions. These interests and activities covered two business segments in 2009: Exploration and Production and Refining and Marketing. BP's activities in low-carbon energy are managed through our Alternative Energy business, which is reported within Other businesses and corporate.

Exploration and Production's activities cover three key areas. Upstream activities include oil and natural gas exploration, field development and production. Midstream activities include pipeline, transportation and processing activities related to our upstream activities. Marketing and trading activities include the marketing and trading of natural gas, including liquefied natural gas (LNG), together with power and natural gas liquids (NGLs).

Refining and Marketing's activities include the supply and trading, refining, manufacturing, marketing and transportation of crude oil, petroleum and petrochemicals products and related services.

The two business segments each comprise a number of strategic performance units (SPUs), which are organized along either geographic or activity-related lines. The role of the SPU includes the development of local capability and the fostering of external stakeholder relationships. Each SPU is of a scale that allows for a close focus on performance delivery by its respective segment, which includes the appropriate management of costs.

^aOn the basis of market capitalization, proved reserves and production.

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Our worldwide headquarters is located at:
1 St James's Square,
London SW1Y 4PD, UK
Tel +44 (0)20 7496 4000.

Our agent in the US is BP America Inc.,
501 Westlake Park Boulevard, Houston, Texas 77079.
Tel +1 281 366 2000.

Our group functions and regions support the work of our segments and businesses. Their key objectives are to establish and monitor fit-for-purpose functional standards across the group; to act as centres of deep functional expertise; to access significant leverage with third-party suppliers; and to establish and maintain capabilities among the functional staff employed within our operating businesses. In addition, the head of each region provides the required integration and co-ordination of group activities in a particular geographic area and represents BP to external parties.

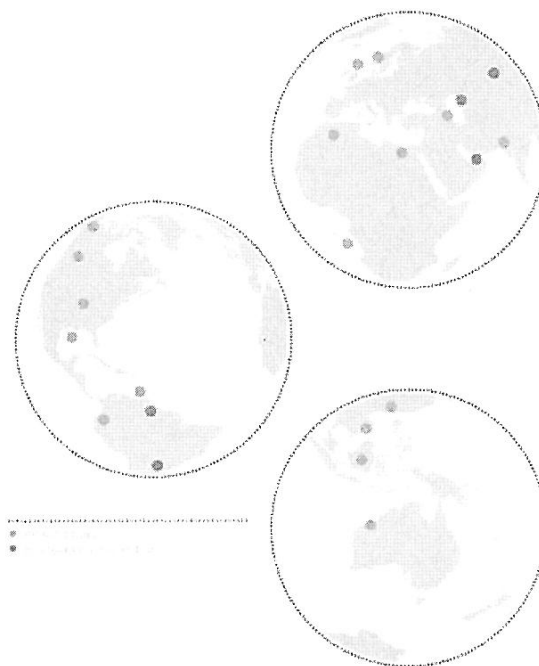
Where we operate

BP's worldwide headquarters is in London. The UK is a centre for trading, legal, finance and other business functions as well as three of BP's major global research and technology groups.

We have well-established operations in Europe, the US, Canada, Russia, South America, Australasia, Asia and parts of Africa. Currently, around 67% of the group's capital is invested in Organisation for Economic Co-operation and Development (OECD) countries, with around 40% of our fixed assets located in the US and around 20% in Europe.

Exploration and Production

BP's major areas of production in 2009



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SECURITIES AND EXCHANGE COMMISSION
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(Mark One)

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ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
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SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-6262

BP p.l.c.

(Exact name of Registrant as specified in its charter)

England and Wales

(Jurisdiction of incorporation or organization)

1 St James's Square, London SW1Y 4PD**United Kingdom**

(Address of principal executive offices)

Dr Byron E Grote**BP p.l.c.****1 St James's Square, London SW1Y 4PD****United Kingdom****Tel +44 (0) 20 7496 4495****Fax +44 (0) 20 7496 4630**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Ordinary Shares of 25c each	New York Stock Exchange*
Floating Rate Guaranteed Notes due 2011	New York Stock Exchange
Substitute Floating Rate Guaranteed Note due 2011	New York Stock Exchange
1.55% Guaranteed Notes due 2011	New York Stock Exchange
3.125% Guaranteed Notes due 2012	New York Stock Exchange
5.25% Guaranteed Notes due 2013	New York Stock Exchange
3.625% Guaranteed Notes due 2014	New York Stock Exchange
3.875% Guaranteed Notes due 2015	New York Stock Exchange
3.125% Guaranteed Notes due 2015	New York Stock Exchange
4.75% Guaranteed Notes due 2019	New York Stock Exchange
4.5% Guaranteed Notes due 2020	New York Stock Exchange

*Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 25c each	18,796,461,292
Cumulative First Preference Shares of £1 each	7,232,838
Cumulative Second Preference Shares of £1 each	5,473,414

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☐

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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Information about this report

This document constitutes the Annual Report and Accounts in accordance with UK requirements and the Annual Report on Form 20-F in accordance with the US Securities Exchange Act of 1934, for BP p.l.c. for the year ended 31 December 2010. A cross reference to Form 20-F requirements is on page 2.

This document contains the Directors' Report, including the Business Review and Management Report, on pages 5-109 and 123-140, 142. The Directors' Remuneration Report is on pages 111-121. The consolidated financial statements of the group are on pages 141-248 and the corresponding reports of the auditor are on pages 143-145.

BP Annual Report and Form 20-F 2010 and BP Summary Review 2010 may be downloaded from www.bp.com/annualreport. No material on the BP website, other than the items identified as *BP Annual Report and Form 20-F 2010* or *BP Summary Review 2010*, forms any part of these documents.

BP p.l.c. is the parent company of the BP group of companies. Unless otherwise stated, the text does not distinguish between the activities and operations of the parent company and those of its subsidiaries.

The term 'shareholder' in this report means, unless the context otherwise requires, investors in the equity capital of BP p.l.c., both direct and indirect. As BP shares, in the form of ADSs, are listed on the New York Stock Exchange (NYSE), an Annual Report on Form 20-F is filed with the US Securities and Exchange Commission (SEC).

Cautionary statement

BP Annual Report and Form 20-F 2010 contains certain forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items.

In order to utilize the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, BP is providing the following cautionary statement. This document contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'plans', 'we see' or similar expressions. In particular, among other statements, (i) certain statements in the Business review (pages 6-82), including under the heading 'Outlook', with regard to strategy, management aims and objectives, future capital expenditure, the completion of planned and announced divestments and disposals, acquisitions and other transactions, future hydrocarbon production volume and the group's ability to satisfy its long-term sales commitments from future supplies available to the group, date(s) or period(s) in which production is scheduled or expected to come onstream or a project or action is scheduled or expected to begin or be completed, capacities of planned plants or facilities and impact of health, safety and environmental regulations; (ii) the statements in the Business review (pages 6-63 and 68-81) with regard to anticipated energy demand and consumption, global economic recovery, oil and gas prices, global reserves, refining capacity, expected future energy mix and the potential for cleaner and more efficient sources of energy, management aims and objectives, strategy, production, petrochemical and refining margins, anticipated investment in Alternative Energy, anticipated future project developments, growth of the international businesses, Refining and Marketing investments, reserves increases through technological developments, with regard to planned investment or other projects, timing and ability to complete announced transactions and future secondary actions; (iii) the statements in the Business review (pages 23-26, 63-67 and 73) with regard to the plans of the group,

the cost of and provision for future remediation programmes and environmental operating and capital expenditures, taxation, liquidity and costs for providing pension and other post-retirement benefits; and including under 'Liquidity and capital resources – Trend Information', with regard to global economic recovery, oil and gas prices, petrochemical and refining margins, production, demand for petrochemicals, production and production growth, depreciation, underlying average quarterly charge from Other businesses and corporate, costs, foreign exchange and energy costs, capital expenditure, timing and proceeds of divestments, balance of cash inflows and outflows, dividend and optional scrip dividend, cash flows, shareholder distributions, gearing, working capital, guarantees, expected payments under contractual and commercial commitments and purchase obligations; and (iv) certain statements in Chairman's letter (pages 6-7) and Business review (pages 10-11) in relation to an anticipated increase in the level of the dividend; are all forward-looking in nature.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the specific factors identified in the discussions accompanying such forward-looking statements; the timing of bringing new fields onstream; future levels of industry product supply, demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; actions by regulators; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this report including under 'Risk factors' (pages 27-32). In addition to factors set forth elsewhere in this report, those set out above are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Statements regarding competitive position

Statements referring to BP's competitive position are based on the company's belief and, in some cases, rely on a range of sources, including investment analysts' reports, independent market studies and BP's internal assessments of market share based on publicly available information about the financial results and performance of market participants.

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The registered office of BP p.l.c., and our worldwide headquarters, is:
1 St James's Square,
London SW1Y 4PD, UK.
Tel +44 (0)20 7496 4000.
Registered in England and Wales No. 102498. Stock exchange symbol 'BP'.

Our agent in the US is BP America Inc.,
501 Westlake Park Boulevard, Houston, Texas 77079.